



## 2021 Global Human Capital Trends Special Report: Part 1

**Hosts:** **David Mallon**, chief analyst, Research & Sensing, Deloitte Consulting LLP  
**Burt Rea**, managing director, Research & Sensing, US Culture Transformation leader, Deloitte Consulting LLP

**Guests:** **Kraig Eaton**, principal, Deloitte Consulting LLP  
**Nic Scoble-Williams**, partner, Deloitte Tohmatsu Consulting, Future of Work leader, Asia-Pacific  
**Tanya Ott**, Press Room Podcast host and producer

**David Mallon:** Welcome to the Capital H Podcast, where we explore the latest trends and insights at the intersection of work, workforce, and workplace. I'm your co-host David Mallon, chief analyst of Deloitte's Research and Sensing team.

**Burt Rea:** And I'm Burt Rea, your other co-host, leader of Deloitte Consulting's US Culture Transformation offering, and host of Deloitte's Human Capital HR Executives

Debrief Series. We're very excited to share with our Capital H audience a special edition of the 2021 Global Human Capital Trends Report, titled The worker-employer relationship disrupted: If we're not a family, what are we?

**David Mallon:** The pandemic has certainly strained and tested the worker-employer relationship beyond anyone's anticipation. Going forward, thriving in an uncertain

future will depend on us having a compelling vision for where that relationship should go. This special report explores one set of possible answers to this central question. How might the worker-employer relationship evolve to meet the opportunities and challenges of a post-COVID-19 world?

**Burt Rea:** In this podcast series, you'll first hear from report authors Kraig Eaton and Nic Scoble-Williams in this Deloitte Insights

Press Room podcast with host Tanya Ott, a radio veteran with more than 30 years' experience. In part 2, David and I will reflect further on the report and discuss some of the response strategies you can consider as you navigate the different futures of work. Let's listen in to Tanya and our report authors.

**Tanya Ott:** What do employees need and how can employers respond? We do some scenario planning in this episode of the Press Room.

I'm Tanya Ott. We have hit a major inflection point in the future of work. Will we stay in the office? Will we continue working remote? Will there be a great resignation? These questions and more hinge on the relationship between workers and employers. And my guests today have gathered loads of data from both.

Nic Scoble-Williams is a partner at Deloitte Tohmatsu Consulting and the Future of Work leader for the Asia-Pacific region. She's based in Japan.

**Nic Scoble-Williams:** My career background's really been one of constant reinvention. I started out as a software engineer in the IT industry. Loved IT. Then pivoted into clinical genetics in the IVF industry. That quickly morphed into a dual role—50% clinical role with patients and 50% in a chief-of-staff-type role, working closely with the CEO to grow what was a single IVF clinic to a global network of clinics. Over those years, I also pursued my passion in law and completed those studies, [and] was admitted as a lawyer earlier this year. So for me, future of work is just a dream [assignment], that intersection of technology, of all of those human capital issues and opportunities, and bringing in public policy, of course—many of the things that our report touches on.

**Tanya:** Kraig Eaton is [a] principal in Deloitte Consulting LLP's US Human Capital service area and led the research on the new special report The worker-employer

relationship disrupted. Right off the bat, the report establishes the tension with the story of e-commerce giant Shopify, whose CEO recently sent an email to thousands of employees saying, "We're a team, not a family" and we can't "solve every social problem."

**Kraig Eaton:** CEO of Shopify, I think it's interesting when any leader comes out and makes a bold statement that we're a team, we're an organization, we're not a family. At face value, you can look at that and say, that probably created some divisiveness between the leaders and the workforce of the organization. But it's a really good indication of all of the disruptive events that have occurred over the last year and a half and how it is creating a push-and-pull effect between workers and their employers and trying to navigate what's proper, what's appropriate. How do we ensure that we don't build an environment that is divisive and rather build an environment that recognizes differences? But it was a pretty bold statement. And it's one example of a few where organizations and leaders feel like they need to come out and make some pretty bold statements to try and set direction around where this relationship might be going.

**Tanya:** You mentioned proper or appropriate, and another example you have is the software company Basecamp, which weighed in on what employees can talk about while they're at work and that was pretty interesting as well.

**Kraig:** Yeah, no political conversations, maybe even no social [issues] conversations. Again, the similar thread between the Shopify and Basecamp example is how do we ensure that we create an environment that doesn't foster divisiveness? I think you can, and Nic, I'm sure, can weigh in on this. Where is the line and how clear is that line to your workforce? I think statements like that are easy to articulate, but very tough to manage and to navigate.

**Nic:** One of the things that really struck me throughout the journey, Kraig, was the way that every day we would observe or we would experience in our work with clients, a new move, whether it was a move from the worker perspective or the employer perspective. There would be a CEO coming out with a different statement or an article, for example, talking about, the New York Times piece, YOLO, you only live once. And it was just fascinating to see that we are in this moment where these examples that we're talking about are endless, and they don't all necessarily reconcile except to highlight that these expectations from both the worker and the employer perspective are really in flux and are evolving in an incredibly fascinating way that's really creating opportunities and challenges that many of us have never had the chance to explore before.

**Tanya:** So in your new special report, you explore a set of possible answers to the question at the heart of all of this, which is how might the worker-employer relationship evolve to meet the opportunities and challenges of the post-COVID-19 world? Was there a salient moment that you can remember when you said to yourself, this is a really big issue, it's not going away, so we need to tackle this one head on?

**Kraig:** I'll share a couple of statistics that really, for many organizations not just us as authors, are bringing this challenge and this evolution to the forefront. The Microsoft Work Index came out and one of the key data points was that 40% of those global workers that were surveyed articulated that they're considering leaving their employer within the next year. Another key data point that shows a little bit of the inequality around the implications of the pandemic: 80% of job losses were among the lowest quarter of wage earners. And one last one to just maybe answer your question, 70% of employers are struggling to find workers with the right mix of skills and capabilities. These talk to the uncertainty that is in front of us as a result of the pandemic and how it is causing

both workers and organizations to take a step back, reflect, and try and make a determination around how this environment is impacting their relationships. There is no playbook that people can pull out and say, we've seen this in the past, let's just follow the same playbook. There's a recognition that there's a high degree of uncertainty associated with this current disruption. Everybody's trying to employ different strategies and techniques to solve for the here and now. What we've articulated in this concept of scenario planning is there is no one certain future. You've got to really respond with a strategy that thinks beyond just the next six to 12 months and helps you to set a sustainable strategy and relationship between those two key parties for a much longer term.

We coined this shift from a mindset of surviving to a goal of thriving. A survive mindset really is focused more on the short term with this expectation that if we could just get through this disruption. If we get through, we can return to normal. We can revert back to the way we used to operate. So by definition, it leads many organizations and leaders to think about solutions and strategies in a shorter term. When you think about thrive, thrive is a focus in on recognizing that disruption is not going to go away. There will be future disruption, climate change, political unrest, and making decisions through a longer-term view will set up organizations to thrive and to really develop a competitive advantage that helps them to succeed in the long term.

**Tanya:** Let's talk about that scenario planning. What are the elements that could impact these future scenarios of work?

**Nic:** Our scenario planning exercise was really fascinating. To feed our scenario planning, we used a combination of pulsing hundreds of executives through AI-enabled focus groups like survey polling. We also used social media polling, interviews with executives across the globe, hundreds of workers across the globe. And one of the things that was fascinating was as we did

that and we were in the moment in these live, AI-enabled focus groups and then after the fact when we were immersing in the data, it became clear to us that this really was so complex and multidimensional. I don't think we had expected to come out with the data telling the story that it did. We did see, for example, things like government regulation rise to the top as one of the factors likely to have the most influence in how the relationship could evolve. But take, for example, when we looked at the internal factors, that all of those worker and employer participants in our scenario planning exercises gave us input on. Yes, there were moments when leadership really shined, but what we realized was they were telling us that basically everything is important. It created a moment for us where we were like, really what we need to do is understand all of those things. Some of the factors that we explored were things like social divide, economic growth, climate change, the use of technology, access that people have to resources around education and wealth. We explored all of these different levers, but they really didn't come out any clearer, [as in] here are the five [factors] we need to focus on. You will see in the report that government impact and talent supply clearly set the stage for how we could see the different futures evolve. But it really was fascinating. If we think about looking ahead, we had 63% of workers tell us that they feel that their relationship with the employer will become stronger or stay the same moving forward, but we had 86% of the executives in our AI-enabled focus groups tell us that they think workers are going to gain more influence and independence relative to their employers moving forward. So it was just remarkable, the power of the insights that really showed us that this is so multidimensional and we need to understand what are all of those internal and external drivers that may influence the different futures that we could embark upon.

**Kraig:** One of the most difficult realizations that many organizations are going to have to come to is this realization that neither workers nor organizations can control

which futures come to bear. That this is not a situation where an organization can say, "Hey I like that future. I'm going to head that way. I'm going to make these decisions so that I can lead us into that future." The government impact and talent supply [and other] external factors are really the things that are going to dictate which future comes to bear. Now, we also want to be very clear. One of the things that we're not saying as part of this report is that the four futures that we have identified are the full set of futures that could come true. That would be naive for us to say that we've defined every possible future.

**Tanya:** So let's go through the four possible futures one by one. What is "work is work"?

**Kraig:** "Work is work" is a future that really identifies that workers and employers have a view that the responsibility of the organization and the need for personal and social fulfillment by the worker are independent. That the worker isn't looking for their employer to really step in and play a heavy and influential role around creating greater social change or fulfilling their need for meaning and purpose outside the work environment. There's a recognition that, as people have reflected over the last year and a half, that they've reprioritized what's important and what they want or need from their employer. And they've basically separated those two. [This scenario posits], "What I get from personal satisfaction and what I look for from places like my family network and volunteerism, that is what's going to fulfill my need to drive a better social impact. I don't need that from my work, my employer." And part of that is driven off of the fact that government is playing a greater role. Government is stepping in and creating worker protections and regulations to drive social change. In essence, what that means from a relationship perspective is it becomes more professional. Each depends on one another to fulfill work-related needs, but they don't expect each other to fulfill that greater meaning and purpose that they look for outside of work.

**Tanya:** The next scenario that you have is “work as fashion.” That one definitely needs an explanation.

**Nic:** The “work as fashion” future is one where we are having some really fascinating conversations, even just since we launched the report, that a lot of organizations and workers are really resonating with. This is a future where employers are in constant motion. They are chasing workers’ sentiments, competitive moves, and marketplace dynamics. They’re really looking at the relationship with their workers where they feel compelled to respond in the moment to those sentiments and competitor moves. But they’re not actually connecting any of those actions with a sustainable workforce strategy. So this is a future where the relationship is very reactive. It’s a very transitory and constantly changing future. It’s akin to what we see with how new brands introduce new clothing collections seasonally and cyclically and move them rapidly from runway to retail, wanting to really capture consumers’ fleeting attention and desires.

This is a future that could arise where we have that convergence of low talent supply with low government impact. That low talent supply is creating that seller’s market for workers, especially for skilled workers, where workers can really base their choice of employer on what each is offering and how well those offerings meet their immediate desires. You can see that if I’ve got low government impact, where government isn’t offering those supports that workers feel they need—things like health care or workplace protections or reskilling opportunities—workers are expecting employers to provide those things that they can’t get elsewhere. That low talent supply gives the workers the upper hand to demand it. We actually hypothesized that work as fashion would be the dominant future in 2021 and 2022. And Kraig, I don’t know what you’re hearing with your conversations with our clients and colleagues, but our hypothesis seems absolutely on point.

**Kraig:** Nic, I couldn’t agree more. Those executives that I’m having conversations with really are quickly going to [say], “I’m going to a ‘work as fashion’ future right now. I find myself in a state where I’m struggling to catch up with the high volume of demands that are coming in from my workforce. And it’s exacerbated by the fact that I can’t find talent. I can’t find skilled workers. So I feel as though I need to, in order to effectively compete, quickly respond to those requests.” So 100% with you. What’s interesting is the leaders need to understand that these futures can quickly pivot. We talked about the external factors and how they could shift. If talent supply increases, they could quickly realize that they’ve made a lot of concessions that really didn’t uncover and address the underlying needs or allow them to differentiate their employee value proposition from their competition because they were fast followers as opposed to innovators in terms of ways in which they were attracting and retaining talent.

**Tanya:** The “war between talent.” What does that look like?

**Kraig:** It’s probably the hardest one for many organizations to grasp right now because at least in a lot of regions we’re in a talent shortage. Whereas the “war between talent” [scenario] is one that is dictated by high talent supply. And what ultimately happens is when workers are competing for limited jobs, the relationship that exists between workers and employers becomes very impersonal. Employers view workers as interchangeable and easily replaceable because there’s an abundance of skills and workers out there. Workers are more concerned with competing against each other because there’s a small number of jobs that they’re looking to achieve, and ultimately, the investments that employers are making are much smaller because they do view these workers as interchangeable. As I mentioned, it’s really not a future that many can point to right now and say, “I think we’re there,” but we could quickly find ourselves there. What organizations need to understand is by not making investments, at least investments in critical jobs or critical workforce segments,

they’re limiting their ability to really get the most out of their workforce, to drive innovation and create good jobs that are good for not only the individuals that are in those jobs, but driving greater outcomes for the organization. There’s a high degree of risk that organizations take a very instinctual response to this “war between talent” and basically reel back any investment or focus on the workforce.

**Tanya:** It seems almost possible that you get like a pretty serious case of whiplash going back and forth between all of these possible scenarios, either as the employee or as the company. The final scenario you have is “purpose unleashed.”

**Nic:** To be honest, many people may, before reading our report, have thought that “purpose unleashed” was the desired future. In a “purpose unleashed” future, purpose is the dominant force that drives that relationship between the worker and the employer. This is a future where the relationship is very communal, where both the workers and the employers see shared purpose as the foundation of their relationship. Purpose is the most important tie that binds them together. With “purpose unleashed,” purpose is that organization’s North Star. It’s grounding the organization in a set of values; values that sit at that intersection of economics, social, human values that don’t depend on circumstances. In this future, this is where we see purpose pushing the organization further toward that social capitalism place, where it is bringing together both social concerns and business concerns, purpose and profit equally important. And if you think about it from a business and workforce and talent strategy [perspective], in a “work is work” future, you need to be focusing on creating that worker experience, designing all around the work itself and the importance of work. But in a “purpose unleashed” future, it is purpose that is the core tenet of the worker experience in the talent brand. Purpose is so important that it trumps the importance of work. Particularly over the last 18 months, we’ve seen more and more awareness and focus on those broader societal issues that

organizations in a “purpose unleashed” future tend to be thinking about and focusing on. And of course, where we have a high talent supply, this is where organizations are able to be a little bit more intentional when they’re looking at engaging talent. They’re not just looking at the skills and capabilities that talent can bring. They’re looking at that alignment with the organization’s purpose and really wanting to bring that shared purpose into the core of that relationship.

**Tanya:** As you look at the mosaic of all of these potential scenarios for work, are any of these futures feeling more likely over the short term?

**Kraig:** I do believe many organizations might feel like they are headed toward or even in a “work as fashion” [scenario] right now. Obviously, the low talent supply is one factor. [This scenario posits] opportunity for workers to set expectations and look to see whether their employers are meeting those expectations, and if they’re not, quickly jumping to another employer because the opportunities are there. I do believe that many are speculating that work is work could be something we would see moving forward as the true implications of the pandemic on reprioritizing what’s important to workers. [It] might create a bit of a divide between them and their employer. But it’s really hard to say. One of the things that all organizations need to understand is if

you’re operating in a global environment with resources and locations across various regions or you’re in an industry that has a very diversified set of businesses or services across industry, you may find yourself in more than one future at a time. That adds some complexity in terms of the role of leaders, the implications on culture, and how do some of your policies and programs get developed when you find yourself in more than one of these futures simultaneously.

**Nic:** And Kraig, that’s the biggest opportunity and challenge—all of these futures coexist. No future is better than the other. [It’s a matter of] using the powerful insights and guidance that the report brings in terms of what might be those internal and external drivers that could have the greatest influence shaping how the future evolves and then really thinking about how you can be very intentional and deliberate in the call to action around creating that vision and strategy. You are really designing a differentiated and sustainable employee value proposition moving forward.

**Burt Rea:** We just heard some great explanations of the four futures from Kraig and Nic. This brings us to the end of part 1 of our 2021 Global Human Capital Trends Report podcast series. Tune in for part 2 where David and I dive a bit further into the report. A big thanks to Deloitte’s Press Room podcast and our guests Kraig Eaton, Nic

Scoble-Williams, and Tanya Ott. In addition to tuning into our podcast series, you can read our full 2021 Global Human Capital Trends Special Report online at [deloitte.com/insights](https://deloitte.com/insights). Thanks for listening and have a great day.



## Learn more

-  Visit the [Capital H podcast library](#)
-  Explore our [Capital H blog](#) for additional insights
-  Join the conversation on Twitter [@DeloitteHC](#)

This podcast is produced by Deloitte. The views and opinions expressed by podcast speakers and guests are solely their own and do not reflect the opinions of Deloitte. This podcast provides general information only and is not intended to constitute advice or services of any kind. For additional information about Deloitte, go to [deloitte.com/about](https://deloitte.com/about).

### About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States, and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see [www.deloitte.com/about](https://www.deloitte.com/about) to learn more about our global network of member firms.